

**REPORT TO:** Executive Board Sub Committee

**DATE:** 20<sup>th</sup> July 2006

**REPORTING OFFICER:** Strategic Director Health & Community

**SUBJECT:** Homelessness Prevention Fund

**WARD(S)** Boroughwide

### 1. PURPOSE OF THE REPORT

- 1.1 To gain approval for up to £10,000 of DCLG Homelessness Grant funding to be utilised annually to provide a 'Homelessness Prevention Fund'. This Prevention Fund will be managed by Halton Housing Trust (HHT) to avert homelessness, thereby reducing the number of homelessness applications in the Borough.
2. **RECOMMENDED: that the Board agrees to the implementation of a Prevention Fund as outlined in this report and agrees that the Council's Standing Order (Contracts) 4.1 is waived accordingly.**

### 3. SUPPORTING INFORMATION

- 3.1 Prevention is high on the Government's agenda. Homelessness can often be prevented with appropriate and effective intervention at crucial key times leading up to a homelessness presentation. Councils are starting to rethink traditional service delivery models in relation to homelessness. Where organisations have adopted a proactive approach to homelessness rather than a traditional reactive fire-fighting approach, impressive reductions in homelessness presentations have been seen.
- 3.2 Alongside evaluating staffing structures and functions, Council's are being encouraged to develop a range of housing options or preventative measures which can be considered prior to a homelessness application being processed. In this way 'inappropriate homelessness applications' may be filtered out.
- 3.3 An innovative approach to homelessness prevention also relies on frontline staff being able to make timely interventions (with the minimum of bureaucratic delay) to prevent homelessness from occurring. Spend to Save schemes, as sometimes prevention funds are labelled, work on the premise that usually a relatively small sum of money, for instance to pay for a rent deposit, saves more money long term as the cost of accommodating a household in temporary accommodation is expensive.
- 3.4 The Appendix attached highlights the proposed criteria relating to the

Prevention Fund. HHT will have delegated authority to utilise the Prevention Fund, in accordance with set criteria. A monitoring arrangement whereby HHT report to the Council will be put into place to ensure that the Prevention Fund is being appropriately applied.

3.5 Although the annual value of this work is limited to £10,000, the cumulative value over several years means that its procurement is subject to Standing Orders (Contracts). The rationale for seeking a waiver of Standing Order 4.1 is as follows:

- Compliance with Standing Orders is not practicable as the Council's requirements can only be delivered by HHT given that HHT provides the Homelessness and Housing Advice service on behalf of the Council (under contract), following LSVT in December 2005.
- The Prevention Fund criteria and proposed monitoring arrangements are transparent and HHT will be accountable to the Council for use of the Prevention Fund.

#### **4. POLICY IMPLICATIONS**

4.1 This initiative is consistent with Government good practice guidelines as exemplified in documents such as 'Developing Positive Outcomes' and is consistent with the aims and objectives of the Borough's Homelessness Strategy.

#### **5. OTHER IMPLICATIONS**

5.1 The Housing Agency Agreement with HHT has been drawn up largely on the basis of the service that had hitherto been provided by the Council. Like most Councils Halton operated on the basis of dealing with homelessness as it arose and traditionally little has been done to set up housing options to help prevent homelessness. This is something that will need to be addressed within the context of the contractual arrangement with HHT to ensure that service delivery in respect of homelessness fits with the national 'prevention agenda'.

5.2 Funding for the scheme can be met from the £23,000 Homelessness Grant currently provided annually by DCLG to prevent homelessness.

#### **6. RISK ANALYSIS**

6.1 The Prevention Fund criteria may be inappropriately applied. Risk control measures to ensure effective monitoring of the Prevention Fund will reduce this risk. A significant opportunity exists for improvement to the homelessness service. It is anticipated that the level of homelessness recorded in Halton will reduce as a result. Homelessness BVPIs measuring temporary accommodation usage and prevention are contributory factors in the overall CPA assessment, therefore it is important that the Council scores well in this service area.

7. **EQUALITY AND DIVERSITY ISSUES**

None

8. **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

**Document**

**Place of inspection**

**Contact Officer**

None

## PREVENTION FUND CRITERIA

### 1. General criteria

The PF should only be used where there is reason to believe the household is homeless, or threatened with homelessness, in priority need and unintentionally homeless. However consideration may be given in exceptional circumstances to households with children found to be intentionally homeless if this prevents placement in temporary accommodation.

- No cash payments will be made.
- Maximum payment will be £500 (payment may be increased in exceptional circumstances e.g. to accommodate large families).
- Payments will usually be 'one offs' and restricted to one per household.

In the event that funding becomes restricted or limited, funds will be targeted in the following order:

- Households with children.
- Where a member of household is pregnant.
- Couples.
- Single Person households.

The Homelessness Manager at HHT will make any decision regarding restriction, or prioritisation of funding in conjunction with the Service Development Manager (Homelessness) at HBC.

### 2. Preventative Options that may be considered

Officers may consider any of the following options:

- Rent in advance payments – private sector landlords usually require a months rent in advance, upon the signing of a tenancy agreement.
- Bonds – relate to an agreement that a payment will be made to a private landlord *if the need arises* to cover any damage made by the tenant. Landlords normally require a bond equivalent to the value of a months rent to cover the cost of any damages to the property.
- Damage deposits – in this instance a payment is made to a private landlord at the start of a tenancy to cover any damage that a tenant may cause to a private rented property. Landlords normally require a

deposit equivalent to the value of a months rent to cover cost of any damages to the property and its contents. The Government is considering setting up independent schemes whereby the deposit is held in trust in case of a dispute between tenant and landlord. If these schemes are implemented, HHT will also deal with the administrators of such schemes as the need arises.

- Rent 'top ups'- these may be payments made in respect of rent shortfalls where tenants are struggling to make the full rental payment. Hardship may happen for example if a tenant's income changes, or if they are on a low wage and have an unexpected financial crisis or event to pay for. Payment will only be made if it is considered that the tenant can otherwise meet rent payments in the future.
- Payments in respect of delays in Housing Benefit payments. Delays in HB can mean that a landlord is waiting for their rent. Payment in advance of HB payments being made can keep relations between the landlord and tenant harmonious and prevent worry and anxiety for the tenant. Payment would be direct to the Landlord subject to agreement that it will be repaid when HB payments are received.
- Rent arrears payments to RSLs and Private Landlords. In certain situations it may be pragmatic to clear rent arrears, or to make a gesture to clear some of the arrears. If a household becomes homeless there may be a duty to re-house, or at least to provide emergency accommodation for a reasonable period of time. In financial terms the cost of providing emergency accommodation or re-housing is usually well in excess of making a payment towards rent arrears.
- Agency fee payments - Private letting agencies normally charge an administrative fee to cover the cost of providing tenancy agreements and processing an application. This is usually about £50 -£75.
- One off payments for furniture removals and house clearance. This type of payment may help a household to move from a property that is unsuitable (so they are homeless in terms of the legislation), or may help a household that is threatened with homelessness to move to a suitable available property. If removal expenses have to be saved for, or borrowed from other sources, a property that is vacant could be let to someone else, as an RSL or private landlord will not keep a property empty until a household is in a position to move.
- Rent Guarantees for RSLs. See explanation for private landlords above, although this would only normally apply where an applicant was under 18 years of age and legal address for rent arrears may not be as easily available as for older clients.
- Court costs for RSLs and private tenants. Private landlords and

RSLs may be persuaded to retain a tenant even following Court intervention, if Court costs are covered. (Normally some agreement regarding any rent payments due would also have to be made.)

- Travel costs - Clients may wish to view or take up properties in other areas and may need help with travel costs.

N.B. payments to RSLs and private landlords can only be made where there is an undertaking not to evict the tenant and allow the tenant to return to the property.

This list is not intended to be comprehensive. There may be other circumstances where it is expedient to utilise the PF.

### 3. **Monitoring**

Quarterly monitoring reports will be sent to the Service Development Manager (Homelessness), detailing any authorised expenditure, number of cases and reasons for expenditure. Any exceptions to the general criteria will also be highlighted. This information will feed into the BVPI 213 regarding the monitoring of the success of the housing advice service in the prevention of homelessness.